



The National Trust for Historic Preservation

**Statement of
Richard Moe, President**

***“Historic Preservation vs. Katrina: What Role Should Federal, State
and Local Governments Play in Preservation of Historic Properties
Affected by these Catastrophic Storms?”***

**United States House of Representatives
Committee on Government Reform
Subcommittee on Federalism and the Census**

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Introduction:

Chairman Turner and members of the Subcommittee, thank you for the opportunity to testify today on the role the federal government can and should play in saving historic properties affected by catastrophic storms. In addition to your excellent work on behalf of this panel, I am very grateful to you and Congressman Brad Miller for your leadership in the Historic Preservation Caucus. As you know, in addition to fostering the stewardship of our nation's heritage, historic preservation is a powerful economic revitalization tool. No where should we focus its full potential more than in the areas devastated by Katrina on August 29th. As attention shifts from rescue to reconstruction in New Orleans and the Gulf Region, we must answer the question of how, and in what form, the rebuilding will happen. If we get the response wrong, Katrina could turn out to be among the greatest cultural disasters the nation has ever experienced. The role of government at every level is critical to prevent this dreadful superlative from becoming a reality.

For more than 50 years, the National Trust for Historic Preservation has been helping to protect the nation's historic resources. The National Trust is a private, nonprofit membership organization dedicated to protecting the irreplaceable. Recipient of the National Humanities Medal, the Trust provides leadership, education and advocacy to save America's diverse historic places and revitalize communities. Its Washington, DC headquarters staff, six regional offices and 26 historic sites work with the Trust's quarter-million members and thousands of local community groups in all 50 states. As a private nonprofit organization with more than a quarter million members, the National Trust is the leader of a vigorous preservation movement that is saving the best of our past for the future. Its mission has expanded since its founding in 1949 just as the need for historic preservation has grown. When historic buildings and neighborhoods are torn down or allowed to deteriorate, we not only lose a part of our past forever, we also lose a chance to revitalize our communities.

Saving Our Heritage:

In dealing with the Mississippi River floods of 1993, the Northridge earthquake of 1994, and numerous other natural disasters, the National Trust has learned that almost always, the first impulse of local officials is to tear down almost every damaged building in the name of public safety. We have also learned that this first impulse is almost always wrong. Obviously, some historic buildings – perhaps many of them – will necessarily be lost, but we should not lose more than we have to. The federal and state government's role is pivotal in alleviating this urge to demolish and time is running out in places ravaged by Katrina. For example, building inspectors in New Orleans are already at work and preliminary estimates place the total number of homes that must be torn down at 50,000. Some unfortunate demolitions have already taken place, including the hasty razing of the Naval Brigade Hall, a significant landmark in the history of New Orleans jazz. This 102-year old Warehouse District building, which the city had declared uninhabitable, was a site on the National Park Service's jazz tour. It was torn down on Sept. 26th without permits or permission from the city or owner.

That's why the National Trust along with the American Institute of Architects (AIA) is asking Congress to pass a package of tax incentives and grants to restore and rehabilitate historic

structures affected by Katrina. I will provide you with details on our proposals, but let me describe the magnitude of the situation first.

Background and Overview:

I just returned from Mississippi to inspect first-hand the damage Katrina inflicted on that state's historic resources. I also visited New Orleans for the same purpose earlier this month. With your permission, I will provide for the Subcommittee record some photographs that document the conditions affecting historic resources in those states. The damage and loss to buildings is catastrophic, affecting federally, state, and locally designated historic treasures. In New Orleans alone the National Trust estimates that Katrina's devastating winds, rain, and subsequent flooding has in some way affected more than 38,000 designated structures across the city's 29 districts listed in the National Register of Historic Places or locally designated. Along Mississippi's 90-mile coastline, approximately 300 historic properties have been completely lost and another 1,200 remain that are mostly damaged. This includes entire historic districts in places like Bay St. Louis and Pass Christian. It is estimated that 15 National Register historic districts lost at least two-thirds of their buildings. Icons of our country's heritage sustained major damage such as Beauvoir, the 1850s Biloxi retirement home of Confederate President Jefferson Davis. Many historic buildings were also damaged or destroyed as far as 150 miles inland, including the Old Capitol State Historical Museum in Jackson, which lost part of its roof and suffered water damage.

The scope of the crisis is so great because the Gulf Coast Region itself has one of the nation's largest collections of historic buildings. Since the French crown established settlements to make a permanent presence close to the Mississippi starting with Biloxi Bay in 1699, the area has been home to a blend of cultures, traditions, buildings, and landscapes unlike those found anywhere else in the United States. So much of its architectural uniqueness was influenced by the convergence of a rich antebellum planter society and a powerful commercial economy driven by river, port, and Gulf. Nowhere is this more apparent than New Orleans, once the largest city west of the Appalachians and the nation's third largest by 1830. The city contains 20 National Register historic districts encompassing half of its total area, the largest concentration of historic districts in the United States. Recovery efforts must acknowledge the special character of this entire region. Failure to do so would compound the devastation that has already occurred. Unquestionably, the complex network of existing federal, state, and local, laws protecting historic structures cannot be ignored in rebuilding the disaster area, and every level of government has a responsibility to protect these vital elements of our heritage.

What is needed first are conscientious, comprehensive surveys conducted by experts in construction, architecture, engineering and preservation – people who can examine an older building's condition, evaluate its historic and architectural significance, and determine the feasibility or advisability of saving it. With generous funding assistance from the Getty Foundation, American Express Foundation, and other sources, the National Trust has already sent survey teams into Mississippi and New Orleans. The final decision on what buildings can – and should – be saved will be made by property owners, city officials and FEMA, but the work of the survey teams will give them the facts they need to make informed decisions and rational recovery plans.

On my recent visit to New Orleans, for example, I saw first-hand that the French Quarter and the Garden District are largely intact. That's good news, certainly, because these areas, with their imposing white columns and lacy cast-iron galleries, constitute the world-renowned public face of New Orleans. But the down-home heart of the city beats in lesser-known neighborhoods such as Holy Cross, Tremé, Broadmoor, and Mid-City, where officially designated historic districts showcase the modest Creole cottages, corner stores, and shotgun houses (long, narrow houses, usually only one room wide with no hallway) that are essential ingredients in the rich architectural mix that is New Orleans. These are the buildings that we saw in those haunting images of battered rooftops dotting a toxic sea, and they are the buildings most at risk. Saving as many of them as possible is essential. I came away convinced that the vast majority of them can be saved and this conclusion is being confirmed by our survey teams as well.

Many times in recent years, when communities were devastated by earthquakes, floods, tornadoes or hurricanes, we at the National Trust have worked with local officials and our preservation partners to determine the communities' needs and figure out how we could help most effectively – whether by providing funds or technical assistance. But the unprecedented ferocity of this hurricane season has confronted us with a disaster like none we have experienced before, and it calls for solutions like none we have developed before.

Disaster Assistance Package for Historic Preservation:

To make saving historic buildings a reality, I urge Congress to provide targeted sources of federal and state funding for the preservation of storm-damaged structures. A coalition of national preservation organizations led by the National Trust and the AIA are supporting a legislative package to direct federal and state resources for preservation efforts in the disaster area. The immediate goal is to stabilize and repair damaged but salvageable buildings before weather and the elements lead to further erosion of the historic fabric. The first and most urgent part of these legislative measures would provide immediate federal preservation grant assistance to historic property owners and supplement any funds from insurance companies, FEMA, and other sources. We have asked Congress for a two-year \$60 million “Historic Preservation Disaster Relief Grants Program” from the federal Historic Preservation Fund to be administered by the states with no federal match. Applicants would agree to rehabilitate their properties in accordance with agreed-upon preservation standards and principles. The National Trust is hoping to use a small portion of these grants – \$2 to \$5 million – to target key designated “Main Street” organizations with funds for preservation planning, technical, and business assistance. So much of this region’s recovery will depend on making local, neighborhood-serving, commercial districts – many of which are already designated “Main Street” communities – viable once again.

Second, the existing tax credit for rehabilitating historic commercial structures should be streamlined and adjusted to work vigorously as a targeted incentive for restoring damaged historic buildings, especially those that house critical neighborhood-serving retail in “main street” business communities. We have developed a list of recommendations that would accomplish this goal. While the existing tax credit program is commendable for its success in fostering the restoration of countless historic buildings across America, there are also a number of structural elements surrounding the program that Congress should address to make it more

effective in the disaster area. National Park Service data show that last year, for example, federal historic tax incentives for commercial properties leveraged over \$3.8 billion in private capital into the national economy. Louisiana ranked sixth in approved “part two” projects and Mississippi ranked 17th in this activity along with Alabama.

Lastly, taking its cue from the existing tax credit program for income-producing, commercial properties, Congress should provide a new credit for homeowners of historic owner-occupied residential buildings, which are currently ineligible for any restoration incentives. Our “Disaster Relief Historic Homeowner Assistance Tax Credit” proposal would provide a credit of 30 percent of qualified rehabilitation expenditures made by persons who substantially rehabilitate historic homes located in the Hurricane Disaster Area and used as a principal residence. It would be limited to \$40,000 total per household.

These longer-term tax incentives to rebuild would infuse private sector dollars in a region desperate for reinvestment and encourage property owners to return to these devastated places.

For all these proposed grants and tax incentives, the framework and infrastructure created by the National Historic Preservation Act (NHPA), the partnerships it establishes between the federal and state governments, and its reliance on close cooperation with local preservation organizations, can be an excellent mechanism to deliver our historic preservation assistance package that the region needs. What Congress must support, however, are these additional resources, adjustments, and innovations to make it work most effectively in responding to the disaster. The good news is that the NHPA has already created the core of any response to saving historic resources in the Gulf Coast Region. What began back in 1966 in response to a grassroots movement to protect America’s architectural and cultural legacy, has become a strong federal preservation program administered by the Department of the Interior. Its implementation relies on a strong link between the agency and the State Historic Preservation Officers in every state and the territories. Congress should utilize it as a tool.

Conclusion:

The economic role of historic preservation and the federal, state, and local resources it bears are tantamount to revitalizing the commercial stability of the region. Rising out of its past, the Gulf Coast remains one of the nation’s most important centers of economic activity and so many historic buildings are where its people actually live and conduct daily business, commerce, and tourism. The goal of recovery efforts should be to allow displaced people to come home to communities that are healthy, vibrant, familiar places to live and work and federal, state, and local governments in the region – provided with adequate resources – should make every effort to save those buildings where possible. From the fishing and shrimping industries, to the Port of South Louisiana, to the heart of the country’s petrochemical industry, restoring historic structures is essential to restoring the well-being of so many communities in the states affected by Katrina. Mr. Chairman, ultimately the question of how the Gulf Coast region should be rebuilt is one that its residents must answer. Let us hope they get the chance to do so before their region's future is decided for them. Government’s role at every level is critical to influencing that decision.